

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In the Matter of:

ARK LABORATORY, LLC,

Debtor.

Case No. 23-43403-mlo

Chapter 11

Hon, Maria L. Oxholm

/

corrected

**FILING OF BUDGET FOR INTERIM ORDER
AUTHORIZING USE OF CASH COLLATERAL
AND GRANTING ADEQUATE PROTECTION**

Debtor states,

1. Attached is the budget that Debtor and Comerica have agreed to for purposes of the INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL AND GRANTING ADEQUATE PROTECTION.

Respectfully submitted,

/s/ Robert Bassel

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Prospective Counsel for Debtor

Helix Diagnostics
4-Week Cash Flow Budget (4/17/23 to 5/12/23)
Revised: 4/21/23

Description	21-Apr-23 Proj.	28-Apr-23 Proj.	5-May-23 Proj.	12-May-23 Proj.	Cumulative Cash Flow Proj.
	1	2	3	4	
REVENUES					
Gross Revenues					
Non Covid PCR	\$ 222,083	\$ 222,083	\$ 216,966	\$ 214,919	\$ 876,052
Covid	39,667	39,667	38,753	38,387	156,473
Toxicology	430,000	430,000	420,092	416,129	1,696,221
Blood	40,833	40,833	39,892	39,516	161,075
Other	86,667	86,667	84,670	83,871	341,874
Gross Revenues	\$ 819,250	\$ 819,250	\$ 800,373	\$ 792,823	\$ 3,231,696
Customer Price Increases	-	-	-	-	0.0%
Reimbursement Rate Adjustments	(204,813)	(204,813)	(200,093)	(198,206)	(807,924)
Net Revenues	\$ 614,438	\$ 614,438	\$ 600,280	\$ 594,617	\$ 2,423,772
Receipts					
Billed Receipts	77,649	77,625	77,586	77,550	310,410
Cash Balance WE 4/14/23 (est.)	119,110				119,110
Future Receipts	497,872	499,846	503,189	506,359	2,007,265
Medcare Delay in Billing Claims	(308,483)	(233,434)	(195,794)	(198,000)	(935,711)
Improved Collections	40,963	40,963	40,019	39,641	161,585
Cash Receipts	\$ 427,110	\$ 385,000	\$ 425,000	\$ 425,550	\$ 1,662,659
Payroll Disbursements					
Gross Wages Pre-petition					0.0%
Gross Wages Post-petition					
Employee Withholding - Pre-petition					
Employee Withholding - Post-petition					
Employer Taxes - Pre-petition					
Employer Taxes - Post-petition					
Payroll Missed 4/14/23					
Net Pay - Pre-petition					
Net Pay - Post-petition					
Hourly Employees - Overtime					
Payroll Disbursements	\$ 267,919	\$ 171,836	\$ 128,222	\$ 163,741	\$ 731,718
Non-Payroll Disbursements					
Credit Card Fees	470	470	459	454	1,853
Bank Charges	-	-	2,888	-	2,888
Courier Fee	19,654	19,654	19,654	19,654	78,615
Marketing Fees (1099)	31,250	31,250	31,250	31,250	125,000
IT Hardware	-	303	303	303	908
Contract Labor	-	559	559	559	1,678
Fuel/Mileage	1,250	2,127	2,127	2,127	7,631
Dues & Subscriptions	115	115	115	116	463
Workers Comp	-	8,386	-	-	8,386
Insurance - Liability	-	12,100	-	-	12,100
Insurance - Employee Portion	(6,222)	(6,222)	(6,222)	(6,221)	(24,886)
Insurance - Health	-	-	-	68,845	68,845
Insurance - Life/AD&D/Dental/Vision	-	-	8,049	-	8,049
Insurance - Life	-	(189)	-	-	(189)
Lab Fees	-	15,790	15,453	15,318	46,560
Legal & Professional Fees	-	-	-	-	0.0%
IT Consulting	923	923	923	15,500	18,269
Compliance	-	-	2,194	-	2,194
Licenses & Fees - Infrastructure	-	356	614	356	1,326
Licenses & Fees - Business Operations	-	415	415	5,177	6,007
Employee Meals	92	92	92	92	369
Meals and Entertainment	58	58	58	58	231
Medical Billing	26,000	26,000	26,000	26,000	104,000
Medical Directorship	692	692	692	692	2,769
Rent or Lease	-	-	54,792	-	54,792
Equipment Lease	-	-	-	-	0.0%
Repair & Maintenance	2,000	2,000	2,000	2,000	8,000
Payroll Fees	-	3,303	-	-	3,303
Shipping and Delivery Expense	3,667	3,667	3,582	3,549	14,465
Supplies	39,000	72,000	35,000	51,917	197,917
Taxes & Licenses	-	-	-	-	0.0%
Telephone	-	-	-	1,200	1,200
Travel	1,062	1,062	1,062	1,062	4,246
Utilities	-	-	-	-	0.0%
Cleaning Service	-	2,769	2,769	2,769	8,308
Uniforms	945	945	945	945	3,779
Waste Management	-	-	1,200	-	1,200
US Trustee Fees	1,560	1,486	1,520	1,634	6,199
Expense Reports	1,000	1,000	1,000	1,000	4,000
Non-Payroll Disbursements	\$ 123,516	\$ 201,111	\$ 209,492	\$ 246,356	\$ 780,475

Helix Diagnostics
4-Week Cash Flow Budget (4/17/23 to 5/12/23)
Revised: 4/21/23

Description	21-Apr-23 Proj.	28-Apr-23 Proj.	5-May-23 Proj.	12-May-23 Proj.	Cumulative Cash Flow Proj.
Other Cash Expenditures					
Capital Expenditures	-	-	-	-	0.0%
Interest Expense - Line of Credit (Comerica Bank)	-	-	43,856	-	43,856 1.4%
Interest Expense - Business Loan (Peninsula Capital)	-	-	-	-	0.0%
Interest Expense - Equipment Loan	-	-	-	-	0.0%
Principal Payments - Line of Credit (Comerica Bank)	-	-	-	-	0.0%
Principal Payments - Business Loan (Peninsula Capital)	-	-	-	-	0.0%
Principal Payments - Equipment Loan	-	-	-	-	0.0%
Consulting Fees	-	-	-	-	0.0%
Clear Check Float	-	-	-	-	0.0%
Forbearance Fees and Expenses	-	-	-	-	0.0%
Credit Card Expense	-	-	-	-	0.0%
Other Cash Expenditures	\$ -	\$ -	\$ 43,856	\$ -	\$ 43,856 1.4%
Disbursement Summary					
Payroll	\$ 267,919	\$ 171,836	\$ 128,222	\$ 163,741	\$ 731,718 22.6%
Non-Payroll	\$ 123,516	\$ 201,111	\$ 209,492	\$ 246,356	\$ 780,475 24.2%
Other Cash Expenditures	\$ -	\$ -	\$ 43,856	\$ -	\$ 43,856 1.4%
Total Disbursements	\$ 391,435	\$ 372,947	\$ 381,570	\$ 410,097	\$ 1,556,049 48.1%
Net Cash Flow (Weekly)	\$ 35,675	\$ 12,053	\$ 43,429	\$ 15,453	
Cumulative Cash Flow	\$ 35,675	\$ 47,728	\$ 91,157	\$ 106,610	

Notes:

Operating Cash				
Beginning Balance	3,214	38,889	50,942	94,371
+ Cash Inflows	427,110	385,000	425,000	425,550
- Cash Outflows	(391,435)	(372,947)	(381,570)	(410,097)
+/- Adjustments				
Ending Balance	38,889	50,942	94,371	109,824
<i>Increase/Decrease</i>	35,675	12,053	43,429	15,453

A/R Rollforward				
Medcare: Accounts Receivable (total payments)				
Medcare: Legacy Unbilled (expected value)				
MEdcare: Claims in Transit (not included above)				
QuickBooks: Client Bill (less than 90 days aged)				
Beginning A/R	7,490,817	7,678,145	7,907,583	8,082,863
+Sales	614,438	614,438	600,280	594,617
-Collections	(427,110)	(385,000)	(425,000)	(425,550)
+/- Adjustments	-	-	-	-
Ending A/R	7,678,145	7,907,583	8,082,863	8,251,930
<i>Increase/Decrease</i>	187,328	229,438	175,280	169,067

Supplies				
Beginning Supplies	581,698	581,698	581,698	581,698
+Purchases (operational)	39,000	72,000	35,000	51,917
-(Sales * Materials %)	(39,000)	(72,000)	(35,000)	(51,917)
+/- Adjustments	-	-	-	-
Ending Supplies	581,698	581,698	581,698	581,698
<i>Increase/Decrease</i>	-	-	-	-

A/P Rollforward				
Beginning A/P	7,239,297	7,239,297	7,239,297	7,239,297
+Purchases (operational)	39,000	72,000	35,000	51,917
-Payments (operational)	(39,000)	(72,000)	(35,000)	(51,917)
-Payments (incremental)	-	-	-	-
+/- Adjustments	-	-	-	-
Ending A/P	7,239,297	7,239,297	7,239,297	7,239,297
<i>Increase/Decrease</i>	-	-	-	-

Revolver Balance				
Beginning Revolver Balance	6,379,000	6,379,000	6,379,000	6,379,000
+/- Adjustments	-	-	-	-
Ending Revolver Balance	6,379,000	6,379,000	6,379,000	6,379,000
<i>Increase/Decrease</i>	-	-	-	-

NOTES:

Helix Diagnostics
4-Week Cash Flow Budget (4/17/23 to 5/12/23)
Revised: 4/21/23

Description	21-Apr-23	28-Apr-23	5-May-23	12-May-23	Cumulative Cash Flow Proj.
	Proj.	Proj.	Proj.	Proj.	

EBITDA/Cash Flow Reconciliation					
Net Revenues	614,438	614,438	600,280	594,617	
Payroll Disbursements	(267,919)	(171,836)	(128,222)	(163,741)	
Non-Payroll Disbursements	(123,516)	(201,111)	(209,492)	(246,356)	
Other Cash Expenditures	-	-	(43,856)	-	
Cash Flow Operating income before Addbacks	223,003	241,491	218,709	184,520	
<u>Add Backs:</u>					
Capital Expenditures	-	-	-	-	
Interest Expense - Line of Credit (Comerica Bank)	-	-	43,856	-	
Interest Expense - Business Loan (Peninsula Capital)	-	-	-	-	
Interest Expense - Equipment Loan	-	-	-	-	
Principal Payments - Line of Credit (Comerica Bank)	-	-	-	-	
Principal Payments - Business Loan (Peninsula Capital)	-	-	-	-	
Principal Payments - Equipment Loan	-	-	-	-	
Consulting Fees	-	-	-	-	
Clear Check Float	-	-	-	-	
Forbearance Fees and Expenses	-	-	-	-	
Credit Card Expense	-	-	-	-	
Capital Infusion	-	-	-	-	
Payment on Capital Infusion	-	-	-	-	
Payment for Emergency Capital Influx from Senior Employees	-	-	-	-	
A/P Payment Plan	-	-	-	-	
Incremental Fee Related to Legacy Collections	1,560	1,560	1,559	1,558	
Model Implied Recurring EBITDA	224,563	243,050	264,124	186,078	
Adjustments to Reconcile to Cash Flow:					
<u>Deduct:</u>					
Capital Expenditures	-	-	-	-	
Interest Expense - Line of Credit (Comerica Bank)	-	-	(43,856)	-	
Interest Expense - Business Loan (Peninsula Capital)	-	-	-	-	
Interest Expense - Equipment Loan	-	-	-	-	
Principal Payments - Line of Credit (Comerica Bank)	-	-	-	-	
Principal Payments - Business Loan (Peninsula Capital)	-	-	-	-	
Principal Payments - Equipment Loan	-	-	-	-	
Consulting Fees	-	-	-	-	
Clear Check Float	-	-	-	-	
Forbearance Fees and Expenses	-	-	-	-	
Credit Card Expense	-	-	-	-	
Capital Infusion	-	-	-	-	
Payment on Capital Infusion	-	-	-	-	
Payment for Emergency Capital Influx from Senior Employees	-	-	-	-	
A/P Payment Plan	-	-	-	-	
Incremental Fee Related to Legacy Collections	(1,560)	(1,560)	(1,559)	(1,558)	
Net Revenues	(614,438)	(614,438)	(600,280)	(594,617)	
<u>Add:</u>					
Receipts	427,110	385,000	425,000	425,550	
	35,675	12,053	43,429	15,453	
Cash Flow Difference	35,675	12,053	43,429	15,453	
	\$ -	\$ -	\$ -	\$ -	